

Final Compliance Report

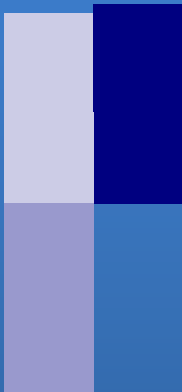
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GEO: Urban Services Improvement Investment Program – Tranche 2 (Mestia Water Supply and Sewerage Networks Project)

Prepared by United Water Supply Company of Georgia LLC of the Ministry of Regional Development and Infrastructure for the Asian Development Bank.

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Final Compliance Report

Mestia 02

**On
Land Acquisition and Resettlement Plan
Implementation monitoring**

July 7, 2015



**Prepared for United Water Supply Company of Georgia (UWSCG)
Government of Georgia**

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Abbreviations

ADB	Asian Development Bank
AP	Project Affected Person
AHF	Project Affected Household
CSC	Construction Supervision Consultant
DMS	Detailed Measurement Survey
EMC	External Monitoring Consultant
GEL	Georgian Lari
GOG	Government of Georgia
GRC	Grievance Redress Committee
IA	Implementing Agency
IMA	Independent Monitoring Agency
Km	Kilometer
LAR	Land Acquisition and Resettlement
LARC	Land Acquisition and Resettlement Commission
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
LFCR	LARP Final Compliance Report
M&E	Monitoring and Evaluation
MFF	Multi Tranche Financing Facility
MOF	Ministry of Finance of Georgia
MRDI	Ministry of Regional Development and Infrastructure
NAPR	National Agency of Public Registry
PIU	Project Implementation Units
PPTA	Project Preparation Technical Assistance
ROW	Right of Way

1. Purpose of the Monitoring

For monitoring and evaluation purposes, “United Water Supply Company of Georgia” implemented land acquisition and resettlement plan under Mestia Water Supply and Sewerage Network Construction. Due to the lack of land acquisition and resettlement action plan development capacities, the company has decided to hire a consultant for the monitoring and evaluation and to draw up a final compliance report, what was preliminary agreed with ADB.

The purpose of the action is to evaluate results and impacts of land acquisition and resettlement plan implementation and development of final compliance report which will be presented to ADB.

Land acquisition and resettlement plan and compliance report are legal documents to implement construction works under the ADB projects.

The project monitoring is based on (1)ADB’s 2009 year Security Policy Statute, (2) of the relevant legislation of Georgia and(3) to Land acquisition and resettlement plan.

Final compliance report will be submitted to ADB for final reviews and comments.

The current document represents the final compliance report of Mestia Water Supply and Sewerage Network Construction project. According to ADB’s requirements, the company has studied “Land acquisition and resettlement action plan” implementation procedures approved by ADB on November 3, 2014, and by decree #434 of Government of Georgia, March 9, 2015.

Land acquisition and resettlement action plan completion process is described in this document.

2. Introduction

The Government of Georgia received (500mln USD)multi tranche finance credit facility from ADB, to implement the Urban Services Improvement Investment Program (USIIP), which includes funding of Mestia Water Supply and Sewerage Network Construction project(UWSCG/ICB/CW/2011-MES-02) for which current Compliance Report is prepared. The project is sub-project of global rehabilitation program for Mestia which also includes another two sub-projects: Mestia Headworks (UWSCG/ICB/CW/2011-MES-01 – finished;) and Construction of Mestia Water Treatment Plant (UWSCG/USSIP/ICB/CW/REG-02 - Current)

UWSCG is the implementing Agency (IA). USIIP targets improvement of water supply and sanitation (WSS) services in secondary towns of Georgia through: (i) infrastructure development aiming at the rehabilitation, improvement, and expansion of WSS services; (ii) institutional development targeting the improvement of UWSCG’S technical/management effectiveness and

of standards for tariff regulation, service delivery, environmental protection, and drinking water quality; and (iii) Investment Program implementation support.

Land Acquisition and Resettlement Plan for Mestia Water Supply and Sewerage Network Construction project was prepared by the United Water Supply Company of Georgia.

The provision of Safeguard Policy Statement (SPS2009) is the base for designing and implementing land acquisition and resettlement action plan in favor of Mestia's project. Both, the process of project implementation and impact of the project should not deteriorate the conditions of the persons who could be affected during the project implementation and after its finish date.

The final goal of the compliance report is to determine compliance of LARP conducted within the project with SPS 2009 and make recommendations and conclusions for ADB, and to implement construction works under the conditions set in this plan.

After Land acquisition and resettlement action plan implementation the company Resettlement Specialists are visiting the sights and meeting the population who are affected by the project construction works.

The report examines the following issues:

- Land acquisition and resettlement plan according to compensation rate mechanism;
- Compensation payment mechanism is verified for all effected persons according to land acquisition and resettlement plan;
- Proof of the validity of the assessment;
- Assessment of the efficiency and accuracy of the legalization process;
- Consideration of the complaints mechanism;
- Assessment how the affected persons were satisfied with the publicity of LAR process Notes that can be used for future projects.

3. Project Description

Sub-project description.

In order to stimulate the development of tourism in Svaneti, the Government of Georgia is carrying out works to improve the living standards of the local population. At this point, Mestia Water and Sewage Networks are worsened and fail to comply the growing demand for water supply and sewerage services. Therefore, Government of Georgia revealed the interest to rehabilitate the network and extend the supply scale, provide sewerage services to every citizen of Mestia, resulting in creation of opportunity for tourism and resort development conditions. The project provides about 5,000 local residents and 20,000

tourists with new water supply and sewerage facilities required by 2040. The project includes the following components:

- Supply and installation of 41.4 km water pipes
- Installation of 7 pressure reducing valves
- Installation of 25 fire hydrants
- Connection and Metering of 1047 households
- Supply and installation of 47.8 km sewage pipes
- Installation of 1.253 sewerage chambers
- Installation of sewerage shafts for 900 households.
- 5 bridge crossings in favor of water and sewerage collectors
- 4 output channel and 1 septic tank installation.
- The construction of the Service Centre.

The project was initially classified for resettlement, as category “C” and is almost finished except of few sections of the sewage pipe route installation works (242.67 m). Within the proposed residual works no LAR procedures are envisaged.

The route design modification of the sewage pipe resulted in minor affect on 6 plots, which are located in urban area of Mestia and are owned by three proprietors (6 plots were compensated in April 2015). The impact is provoked by 1m width pipeline tranche and its adjacency to non agricultural land plots. Therefore the project IR categorization was upgraded to category B.

According to land acquisition and resettlement plan, the decision was made to apply servitudes to the above-mentioned minor parts of land plots in ownership, in exchange for relevant compensation to the owners.

The raised obligations caused by sub-project:

Compensation in exchange of servitude rights: the current, compensation market rate is based on assessment/evaluation of independent, licensed auditor, excluding taxes and transaction costs.

Compensation against trees: the tree market price compensation is determined according to its timber volume.

4. Existing Conditions

Land acquisition and resettlement action plan was approved by ADB, on November 3, 2014 and by Government of Georgia on March 9, 2015, Decree #434.

According to the approved documents the resettlement plan budget amounts to 15649.72 Gel.

Land acquisition and resettlement action plan implementation was finalized on May, 2015. The compensation funds were transferred directly to land owners at their personal bank accounts in June 2015, after the servitude agreements were registered at public registry.

Request for compliance report

According to ADB requirements the compliance report is tool to assess the compliance of land acquisition procedures' and resettlement plan implementation.

Company has implemented land acquisition and resettlement plan analysis and developed compliance report taken into account the following issues:

- Assess satisfaction of affected persons with the LAR process,;
- Land acquisition and resettlement plan framework was assessed according to the compensation payment mechanism;
- The process of compensation of affected persons was monitored according to land acquisition and resettlement plan;
- The accuracy of compensation process was evaluated;
- The effectiveness and accuracy of legislative procedures was assessed;
- Complaints mechanism was reviewed;

5. The monitoring methodology

The compliance of LARP implementation process to measurements of ADB-Guidelines (SPS 2009) was carefully studied.

The compliance of the land ownership registration process legislation of Georgia was re-checked in favor of several private persons and households.

The participation of local Government in LARP implementation process, particularly the actions supporting engagement of affected persons/households in promotional activities (meeting with local people and public discussions) was assessed.

The satisfaction of affected persons against the LARP was assessed through research of targeted people (100%).

The inventory and compensation calculating accuracy was verified during the LARP compensation process in favor of affected persons and in compliance with determined terms and dates.

6. Assessment and compensation payment mechanism

Because the project effect was minimal, no land acquisition or building damage was recorded. Only 2 trees were cut during the project and compensation was raised in favor of land owner. No other types of affects were identified during the project.

Subject to compensation and effect on land

The reimbursement of compensation against the servitude rights was accomplished. 6 land plots were imposed to servitude agreements, totally 970.68 m². Only cutting of 2 trees was necessary, which were property of effected person. The affected land plots are categorized as non-arable agricultural land.

During the project no permanent loss of land plots was recorded, therefore no severe effects on land were identified. Based on servitude agreement between land plot owners and company, the land owners were imposed to some limitations in area of land under the agreement. No perennial cultures to be planted or agricultural products to be cultivated or any fertilizers used, what can affect the damage of sewerage system.

The assistance to effected persons and legalization of documentation

The land ownership fact by land owners is accounted is accredited officially at local archive. The analyses of archive research revealed that persons affected are registered in the list of land tax payers. Although the population of Mestia is released from land tax, the list of taxpayers if officially recognized as proof of land ownership. Therefore it is officially proved that all affected persons are legal owners of land plots.

UWSCG technically assisted all effected land owners to implement precise and legal procedures in favor of registration of land plots in ownership. Initiated by UWSCG, all affected land owners received cadastral maps documents and their electronic versions.

The land ownership rights primary registration is mandatory legal procedure, which leads to official registration at national public registry according to the rules set by legislation. The process ensures father development and registration of servitude agreement.

Payment Procedures

Every affected person has opened the bank account and received compensation amount, after 10 days of registration of agreements at national agency of public registrar. As every affected person was presented at site no need for opening of special accounts was raised.

Public discussions and engagement

The process of engagement of affected persons in public discussions and development of LARP was assessed. The APs were actively involved in all aforementioned procedures. They were informed in advance about all details of the project. The APs proved that they have

seen information brochure and documents during the public meetings. The documents were uploaded to official web site of UWSCG and copy was sent to local municipality. The most of APs proved that they became aware of the resettlement issues through public discussions and local municipality.

7. Conclusion

As a result of the monitoring Land Acquisition and Resettlement Plan development was carried out in full compliance with guidelines ADB and Legislation of Georgia.

Approved resettlement plan have been complied in comprehensive manner. Compensations were paid according to market value set by independent experts.

The implementation of resettlement procedures led positive results. Affected persons are satisfied with the compensation. They have implemented all procedures necessary to the registration of property.

Compensation has been paid according to the report, the market value of the damage was considered. Compensation has been paid in accordance with the approved budget.

It should be noticed that the complaints regarding the amount of compensation was not observed.

The plan indicates, that the population has been well informed about the objectives and impacts of the project.

All affected persons were fully informed about the complaints mechanism, none of them presented the complaints.

After the completion of Land acquisition and resettlement plan implementation, the recommendation was issued to start the construction works.

Affected Family	N	Identification			Land					Compensation			
		First Name	Last Name	Identification Number	Land Category / Title	Land Location	Cadastral code	Total Area of Parcel (sq.m)	Temporary Impact to land (sq.m.)	The price of 1 square meter (GEL)	Compensation amount	Crop compensation (for trees)	Total value (GEL)
1	1	Boris	Japaridze	30001001296	Agricultural	Mestia, Akhalshehi, Stalin St. N7	42.06.32.013	1383	257.72	15	3865.80		
		Merab	Japaridze	30001001296									
		Mzevinar	Tsulukiani	30001006963									
		Nazia	Chopliani	30001004503									
		Shota	Japaridze	30001004502									
	2	Boris	Japaridze	30001002738									
		Merab	Japaridze	30001001296	Agricultural	Mestia, Akhalshehi, Stalin St. N7	42.06.32.012	4714	181.92	15	2728.80		2728.8
		Mzevinar	Tsulukiani	30001001296									
		Nazia	Chopliani	30001006963									
		Shota	Japaridze	30001004503									
2	3	Nazia	Chopliani	30001004502	Agricultural (Homestead)	Mestia, Akhalshehi, Stalin N7	42.06.32.019	2701	288.66	15	4329.90		4329.9
2	4	Kakha	Kakhberidze	52001015457	Agricultural (Homestead)	Mestia, Akhalshehi, Ushba N2	42.06.03.720	1168	83.11	19	1579.09	120.00	1699.09
3	5	Simon	Ratiani	31001015480	Agricultural	Mestia, b.khergianiSt . N16	42.06.35.015	984	57.56	19	1093.64		1093.64
	6	Simon	Ratiani	31001015480	Agricultural	Mestia, b.khergianiSt. N16	42.06.35.016	1211	101.71	19	1932.49		1932.49
	6							12161	970.68		15529.72	120.00	15649.72